MAR 4 1982

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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

The Treasury Department And Its Bureaus Can Better Plan For And Control Computer Resources

The use of computer resources throughout Treasury could be improved with more effective guidance and better overall management. Computer resources in many Treasury bureaus either exceed or fall short of program requirements they are intended to support. The results are unnecessary costs and unmet user needs.

The Paperwork Reduction Act of 1980 offers a significant opportunity for Treasury -- as well as other Federal agencies -- to improve planning, coordination, and accountability over computer resources. This report discusses the potential of the act for improvements at the Department and bureau level and contains recommendations for implementing certain of the act's provisions. GAO also develops a framework of well recognized planning and control procedures that can substantially increase the active involvement and direct participation of top officials and users in the management of computer resources.

SUMMARY

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GGD-82-9

FEBRUARY 22, 1982

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COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

THE TREASURY DEPARTMENT AND ITS BUREAUS CAN BETTER PLAN FOR AND CONTROL COMPUTER RESOURCES

D I G E S T

GAO conducted this review to examine how well the Department of the Treasury and its bureaus use computer resources in achieving their missions. By analyzing previous internal reviews and performing detailed examination work at selected facilities, GAO identified instances where computer resources are insufficient or in excess of the requirements of programs they are intended to support. GAO developed a framework of generally recognized principles and procedures to improve the planning and control of computer resources by top management and users.

TREASURY CAN PROVIDE STRONGER DIRECTION FOR MANAGING COMPUTER RESOURCES

The Department of the Treasury has lacked an effective means of implementing policies and procedures for managing computer resources. Treasury's Office of Computer Science has been hampered in this regard by limited staff and authority and by conflicting roles and objectives. (See p. 6.)

The Paperwork Reduction Act of 1980 affects a wide range of information-related activities throughout the Government, including data processing. Among its provisions is one that mandates responsibility and accountability at the Departmental level for managing computer resources within the bureaus. Specifically, the act requires the designation of a senior official within Federal agencies to report directly to the head of the agency and to be held accountable for, among other things, effectively and efficiently managing all of the agency's computer activities. (See p. 10.)

Treasury should ensure that the senior official it designates has the authority and staff to effectively carry out all of the act's requirements, including those concerning the management of computer resources.

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To avoid conflicts between program and regulatory responsibilities which may affect the senior official's effectiveness, GAO believes that his or her responsibilities should be limited to those required to implement the act. Similarly, assigning additional duties to the senior official detracts from the importance of his or her responsibilities and limits the act's potential for improvements.

COMPUTER RESOURCE MANAGEMENT CAN ALSO BE IMPROVED AT THE BUREAU LEVEL

Many Treasury bureaus have incurred unnecessary costs and are not realizing the full potential of automatic data processing. Assuring that computer resources are consistent with overall needs requires a coordinated effort from three levels of an organization: top management, user management, and data processing management. A well-recognized means of achieving this interaction is to establish an executive steering committee of management from these levels to plan and allocate computer resources and control their use. To ensure that the committee has agencywide perspective, it should be chaired by the agency head or deputy.

Because the Bureau of Engraving and Printing did not have a long-range strategy for identifying and coordinating users' needs, computerized information systems were initiated and sometimes completed only to be abandoned when it was discovered that other requirements had not been considered. (See p. 24.)

Inadequate long-range planning at the Customs Service has resulted in the development of a computerized law enforcement system without a strategic assessment of the system's potential growth. As a result, the system is programmed in nonstandard language that can be only run on one manufacturer's computer, there is a backlog of requests for additional uses that is not handled systematically, and several uses had to be discontinued since data cannot be entered into the system in time to be useful. (See p. 26.)

At the Bureau of Government Financial Operations, failure to adequately assess the long-term

implications of computer technology has resulted in obsolete, saturated equipment that has increased operating costs, prohibited automation of several functions, and seriously jeopardized the accomplishment of its primary mission. (See p. 27.) Similarly, the Secret Service did not adequately identify computer resource requirements and consequently acquired two identical, high-performance computers when one is sufficient for its needs. (See p. 28.)

At the Customs Service and the Bureau of Engraving and Printing, new applications were proposed and initiated without a clear understanding between users and systems development staff as to what was needed. (See pp. 35 and 38.) Other systems were developed with key design phases either performed out of sequence or else omitted entirely. As a result, systems have required redesign or continual modifications, took too long to develop and cost too much money, and still do not meet users' requirements.

The Bureau of the Public Debt almost awarded a sole-source contract for computer processing services that would have cost $1.3 million over an 18-month period. (See p. 42.) Although a feasibility study for the procurement had been prepared, it did not address a number of basic issues and generally failed to demonstrate the urgency or severity of the problem or how the procurement would resolve it. On the basis of the deficiencies identified by GAO, the procurement was subsequently cancelled.

For optimal effectiveness in planning for and controlling computer resources, bureaus should have a coordinated and systematic computer performance management program. GAO found that computer utilization statistics collected at the Bureau of the Mint's computer center are not being used correctly or interpreted properly, resulting in unused processing capacity. (See p. 47.)

GAO believes that most, if not all, of the planning and systems development problems identified at Treasury bureaus could have been detected earlier, and the effects alleviated, had the bureaus had an effective performance management program in place.

RECOMMENDATIONS

To ensure that computer resources support Treasury's operations as effectively and efficiently as possible, GAO recommends that the Secretary of the Treasury:

--Ensure the senior official designated under the provisions of the Paperwork Reduction Act of 1980 has the staff, authority, and independence commensurate with the responsibilities and importance of the position. (See p. 16.)

--Direct the senior official to ensure that bureaus institute procedures for effective computer resource planning by establishing steering committees, chaired by the Bureau head or deputy, and charged with assessing requirements on a periodic basis and formulating an effective, coordinated growth strategy. Bureaus should also expedite the development and installation of computer resource cost accounting systems. (See p. 29.)

--Direct the senior official to ensure that bureaus implement effective system development procedures that have a formalized role for the steering committee and users in the process. (See p. 43.)

--Direct the senior official to have bureaus establish comprehensive and coordinated computer performance management programs appropriate to the amount of resources within the bureau and responsible for providing management the necessary data for informed decisionmaking. (See p. 52.)

AGENCY COMMENTS

The Department of the Treasury agreed that Departmental oversight of computer resources needs to be strengthened but does not believe GAO has shown that management attention has been insufficient under current arrangements. Treasury also disagrees with GAO's recommendation that the duties of the senior official should be limited to those required to implement the Paperwork Reduction Act of 1980. The Department believes that this would result in the establishment of a new Assistant Secretary for

computer management and would therefore be too costly and would isolate computer resource management from other information-related areas.

GAO believes that many of the problems it identified could have been avoided or else detected earlier had Treasury maintained effective oversight at the Departmental level.

GAO recommends neither a separate position of Assistant Secretary for computer management nor the acquisition of additional staff and other resources. GAO recommends that the duties of the senior official be limited to those required by the act so that the act can attain its full potential for effecting improvements. In order to make the official's authority, both real and perceived, commensurate with the responsibility that the position entails, the official needs a rank equivalent to other top administrators reporting to the Secretary. At a minimum, the official should have the same rank as that of an Assistant Secretary. This can be accomplished by restructuring the Department's present organization and realigning existing resources and responsibilities.

Treasury generally agreed on the need to improve long-range planning, systems development, and computer performance management in the Department's bureaus, and said actions to improve these activities will be taken. However, it was unclear from the Department's comments as to what extent the general approach developed by GAO in this report will be followed. Specifically, Treasury believes that, because of the differences in resources and missions in the bureaus, a steering committee is not appropriate for each bureau and policies for computer resource management should not be the same throughout the Department. GAO believes that the approach for managing computer resources discussed in this report is essential for each Treasury bureau regardless of its size or mission.

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